



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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January 30, 2006

TO: Selected Agency Directors

FROM: Victor A. Moore, Director *VAM*

**SUBJECT: FISCAL YEAR 2005 SAVINGS INCENTIVE ACCOUNT ALLOCATIONS
FROM GENERAL FUND-STATE SAVINGS**

I am pleased to inform you of your Savings Incentive Account balance including your new Fiscal Year 2005 allocation. Created in the 1997 legislative session, the Savings Incentive Program allows agencies with General Fund-State appropriations to share in the unspent appropriations they have reverted at the end of each fiscal year. On an annual basis, the Office of Financial Management (OFM), in consultation with legislative staff and agencies, reviews General Fund-State (GF-S) reversions and determines how much each agency can retain for its own usage.

Allocations by agency (past allocations plus the new allocations) accompany this memo, and allotment instructions are included as well.

The Savings Incentive Account is nonappropriated; allotment approval by OFM is required for expenditures from the account. In Fiscal Year 2005, agencies earned more than \$5.3 million in savings incentive credits, bringing the total credits earned to date since 1997 to \$39.7 million.

We urge agencies to make efficient use of their savings incentive allocations, and to remember that spending from this account is restricted to certain uses:

- It is intended for activities that improve the quality and efficiency of state services, such as investments in work process changes, training, and other one-time improvements;
- The use of these funds to expand existing programs or create ongoing costs is prohibited. (Please refer to RCW 43.79.460(2) for the specific statutory language at the link below: <http://www.leg.wa.gov/RCW/index.cfm?section=43.79.460&fuseaction=section>).

In addition to encouraging more efficient operations in state government, the Savings Incentive Program was also designed to benefit education. Half of year-end GF-S savings from operational efficiencies and all of the GF-S savings in restricted or entitlement programs go into the Education Savings Account. With Fiscal Year 2005 allocations, this account has now generated more than \$279.4 million for education construction, technology, and endowment activities.

On behalf of Governor Gregoire, I would like to let you know that your efforts at improving efficiency and customer service in state government are appreciated.

cc: Agency Budget Officers

Instructions for Allotting the 2005 Savings Incentive Allocation

The Savings Incentive Account (SIA), as set in statute by the legislature, is a nonappropriated, allotted account. Agencies having allocations from this account may spend them without appropriation, but after an allotment has been approved by the Office of Financial Management (OFM).

The letter from Victor Moore, dated January 30, 2006, informs agencies of their savings incentive credits, including their new Fiscal Year 2005 allocation amount. Agencies planning to spend this allocation (or unspent allocation balance remaining from previous fiscal year allocations) during the 2005-07 Biennium must submit a packet in the **A6XX series** to OFM **before spending takes place**. Please note that starting with the 2005-07 Biennium, these A-packets must use an appropriation code of **976**, which is used only for the **Savings Incentive Account**.

Agencies can also access their SIA balances for 2005-07 by using the TALS Expenditure Authority reports (you must have authorized access to use this system).

Please keep in mind that this allocation may be used only for activities that improve the quality, efficiency, and effectiveness of customer services, such as one-time expenditures for employee training, employee incentives, technology improvements, new work processes, or performance measurement. This funding may not be used to create new or expanded services or ongoing obligations.

Please direct questions regarding this allotment to your OFM budget analyst.

Savings Incentive Account Balances by Agency as of 06/30/2005

Agency	Balance Available as of 7/1/2005
011 House of Representatives	1,276,718
012 Senate	4,074,443
014 Joint Legislative Audit and Review Committee	1,461,433
020 Legislative Evaluation and Accountability Program	344,049
038 Joint Legislative Systems Committee	309,211
040 Statute Law Committee	31,326
045 Supreme Court	95,807
046 State Law Library	1,009
048 Court of Appeals	333,737
050 Judicial Qualifications Commission	136,696
055 Administrative Office of the Courts	222,235
056 Office of Public Defense	28,517
075 Office of the Governor	68,873
080 Office of Lieutenant Governor	25,987
082 Public Disclosure Commission	67,310
085 Secretary of State	300,392
086 Office of Indian Affairs	4,145
087 Commission on Asian-Amer Affairs	8,405
095 Office of State Auditor	85,496
099 Citizen Commission on Salaries for Elected Officials	43,075
100 Office of Attorney General	837,284
101 Caseload Forecast Council	51,492
103 Community, Trade, & Economic Development	822,755
104 Revenue Forecast Council	127,576
105 Office of Financial Management	228,898
118 Commission on Hispanic Affairs	19,624
119 Commission on African-American Affairs	8,099
120 Human Rights Commission	8,106
126 State Investment Board	2,233
140 Department of Revenue	1,455,094
142 Board of Tax Appeals	36,056
150 Dept of General Administration	3,884
195 Liquor Control Board	733
225 Washington State Patrol	1,657,542
235 Dept of Labor & Industries	93,665
240 Department of Licensing	150,650
245 Military Department	121,911
250 Indeterminate Sentence Review Board	197,136
275 Public Employee Relations Commission	188,003
300 Dept of Social and Health Services	507,190

Agency	Balance Available as of 7/1/2005
302 Home Care Quality Authority	31,446
303 Department of Health	304,241
305 Department of Veterans Affairs	16,524
310 Department of Corrections	246,731
315 Services for the Blind	214,908
325 Sentencing Guidelines Commission	71,192
343 Higher Educating Coordinating Board	158,804
350 Supt of Public Instruction	264,902
351 School for the Blind	54,729
353 State School for the Deaf	47,535
354 Workforce Training and Education Coordinating Board	81,982
360 University of Washington	77,737
365 Washington State University	490
375 Central Washington University	18,327
377 Spokane Intercollege R&T Institute	25,663
387 Washington State Arts Commission	19,231
390 Wash State Historical Society	3,550
395 Eastern Washington Historical Society	2,111
460 Columbia River Gorge Commission	88,168
461 Dept of Ecology	457,804
467 IAC for Outdoor Recreation	38,142
468 Environmental Hearings Office	96,314
471 State Conservation Commission	172,543
476 Growth Management Hearings Board	141,255
477 Department of Fish and Wildlife	31,550
490 Department of Natural Resources	87,319
495 Department of Agriculture	182,844
699 Community and Technical Colleges	193,230
	18,566,067